

Message Text

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ACTION EB-07

INFO OCT-01 EA-07 ISO-00 FEA-01 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04
NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04
ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 XMB-02
/084 W

-----190858Z 090198 /21

R 190407Z JAN 77

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 1601

INFO AMEMBASSY TAIPEI

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E.O. 11652: N/A

TAGS: ETRD KS

SUBJ: MUSHROOM GROWERS PROTEST U.S. IMPORT RESTRICTIONS

1. GENERAL KIM TOO-MAN, PRESIDENT OF THE KOREA CANNED GOODS EXPORT ASSOCIATION, CALLED ON ECON COUNSELOR JANUARY 14 TO EXPRESS THE MUSHROOM GROWERS' GRAVE CONCERN THAT THE ITC NEGATIVE FINDING IN FAVOR A QUOTA TARIFF WILL BE RUINOUS TO THEIR INDUSTRY.

2. KOREA'S BASIC QUOTA WOULD BE 11.8 MILLION POUNDS. UNDER THE ITC RECOMMENDATION, BECAUSE THEY ARE RELATIVELY HIGH COST (TAIWAN HAS AN CLIMATICALLY-BASED COST ADVANTAGE), KOREA WOULD NOT BE ABLE TO SELL ABOVE THAT AMOUNT AS THE QUOTA-TARIFF (RISING FROM 10 PERCENT TO 35 PERCENT PLUS 3.2 CENTS A POUND) PUT THE NET PRICE WAY BELOW THEIR COST OF PRODUCTION.

3. THE INDUSTRY NEEDED TO BE ABLE TO EXPORT ABOUT 40 MILLION POUNDS A YEAR, HALF TO THE US, TO SURVIVE. EVEN THE PRESENT "VOLUNTARY" QUOTA OF 18.5 MILLION POUNDS CREATED PROBLEMS; THE INDUSTRY HAD ONLY ACCEPTED IT TO PREVENT WORSE RESTRICTIONS AND NOW THEY APPEARED TO BE COMING ANYWAY. KIM GAVE THE INDUSTRY LIMITED OFFICIAL USE

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TWO YEARS BEFORE IT DIED UNDER SUCH A REGIME.

4. THE INDUSTRY THOUGHT THE THREE BASE YEARS CHOSEN, STARTING IN MARKET YEAR '72-'73, WERE VERY UNFAIR. THEY HAD THE EFFECT OF HURTING THE MOST RAPIDLY GROWING AND MOST EFFICIENT SUPPLIERS.

5. GENERAL KIM HAD APPARENTLY HEARD THAT KOREA WAS ACCUSED OF

VIOLATING THE VOLUNTARY QUOTA AND DENIED IT. WE DID NOT COMMENT
BUT FIGURES FROM STATE ON IMPORTS THROUGH NOVEMBER SHOW 9 MILLION
OUNDS, WHICH APPEARS FROM HERE TO STAY WITHIN THE CEILING.

6. GENERAL KIM HAD EXPECTED TO GO TO WASHINGTON TO TALK TO
EXECUTIVE BRANCH AUTHORITIES EARLY THIS WEEK. HOWEVER, HE HAS
BEEN WAITING FOR THE KOREAN EMBASSY IN WASHINGTON TO LET HIM
KNOW THE TIME IS RIGHT. WE UNDERSTAND THAT EXECUTIVE BRANCH REC-
COMMENDATIONS MUST STILL BE FORMULATED SO THAT IT IS PROBABLY
SEVERAL WEEKS TOO EARLY AND HAVE INFORMALLY TOLD HIM SO.
SNEIDER

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Message Attributes

Automatic Decaptioning: X
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Concepts: IMPORT CONTROLS, MUSHROOMS
Control Number: n/a
Copy: SINGLE
Sent Date: 19-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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